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EDIC/M-4  
Control No. 2107  
10 January 1955

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Minutes of 4th Meeting

10:00 - 11:30, 21 December 1954

PRESENT

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[REDACTED]  
Lt. Col. Brown, OSD  
Mr. Hamilton, AFOIN  
Miss Worthing, State/OIR  
Mrs. Young, State/EDS  
Miss Baldwin, FOA  
Mr. Reiss, Commerce

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[REDACTED]  
Mr. Tilson, FOA/MDAC

1. RECEIPT OF INFORMATION FROM MILITARY INTELLIGENCE AGENCIES

Discussion - At the 9 December meeting Commerce and MDAC representatives were requested to inquire into the status of their agency requirements for intelligence from the military intelligence agencies. Mr. Tilson reported that to correct the deficiency indicated at the previous meeting, MDAC had submitted such requirements for economic defense intelligence with the three services. Mr. Reiss declared that there is satisfactory distribution of such information in Commerce and that arrangements have been made between the Investigation Staff and OSD for direct flow of enforcement intelligence. According to Mr. Reiss, however, JOC believes that in some respects technical information is of greater value than intelligence now being received in making determinations on the strategic ratings of specific commodities. An effort may be made by Commerce, therefore, to establish closer liaison with technical elements in the Department of Defense.

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[REDACTED] and Miss Baldwin reported on conversations held with Commerce representatives which appeared to suggest the mutual advantage to EDIC and the Department of Commerce of having representation on EDIC from the research element of that department.

Action - The Executive Secretary was instructed to discuss such representation with Mr. Reiss and to prepare a summary statement on the arrangements for distribution to action agencies of current economic defense intelligence, other than enforcement intelligence, as reviewed in recent EDIC meetings.

2. DISTRIBUTION OF CURRENT INTELLIGENCE THROUGH EDIC

Discussion - Members were requested at the previous meeting to comment on the usefulness and/or need for EDIC dissemination of information documents in the EDIC/ID series. It was the consensus of the members that the EDIC Secretariat provides a useful service in disseminating such information, particularly when it involved some collation and analysis, although it was reported that most of the ONI information distributed through EDIC also reaches the action elements directly in raw form.

Action - It was the sense of the meeting that the Executive Secretary would continue distribution of ONI reports and that in addition he should distribute other reports of EDIC interest which include collation and analysis of available information on the subject. The Executive Secretary was instructed also to indicate on each ONI information document issued in the future whether the content is releasable to foreign nationals.

3. REACTION TO DISTRIBUTION OF EDAC "INFORMATION DOCUMENTS"

Discussion - In the same context, the Acting Chairman pointed out that the intelligence community is being called upon to expend an inordinate number of manhours in evaluating news reports (generally reprints from the public press) distributed by the EDAC Secretariat. He questioned the value of such EDAC disseminations and suggested that the Executive Secretary of EDAC be highly selective in their reproduction and distribution. Mr. Tilson defended this EDAC function as a method of insuring that material of current economic defense interest is speedily brought to the attention of appropriate Government levels.

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Action [REDACTED] was asked to suggest to the EDAC Executive Secretary the addition of a caveat on each EDAC "information document" to the effect that such document was unevaluated. In addition, if the EDAC Secretariat considers the document of sufficient importance, the EDAC transmittal should incorporate a request for its evaluation by the intelligence community. The Acting Chairman agreed to convey the EDIC consensus on this discussion to the Executive Committee.

4. REPORT ON PENDING PAPERS AND PROJECTS

Discussion - EDIC/AM-3 of 21 December 1954, "Statement of EDIC Action on Current Requests," was distributed for information. This memorandum reports completion of EDIC action on two papers: (a) EDIC/ID-6, Transmittal of OIR Intelligence Report on "West European Exports of Copper Wire and Cable to the Soviet Bloc"; and, (b) EDIC/ID-9, Transmittal of CIA-AFOIN-OIR Statement on "Strategic Significance of Indium to the Soviet Bloc". It reports also that EDIC comments on OIR Report No. 6714, "Soviet Trade Trends and Tactics in Petroleum" have been forwarded to OIR. In this connection, Miss Worthing explained that no additional OIR work is anticipated on this paper, prepared in response to an MDAC request, since it had been approved in its present form by the requestor.

The Acting Chairman explained that when a request for a study such as the petroleum paper is laid on EDIC, responsibility for its production will be assigned insofar as possible to a specific member agency. Upon its completion the paper will be circulated for comment to EDIC members. Comments, if any, will be forwarded by the Executive Secretary to the producer. Differences of opinion will be discussed by the producer and members offering comments. If differences cannot be reconciled quickly, comments will be sent to the requestor with the report in question.

5. "INTELLIGENCE ON TRADE IN DECONTROLLED COMMODITIES"

Discussion - An IWG (now EDIC) subgroup on this subject was established in July 1954 to develop techniques to trace the movement of those strategic commodities which were decontrolled during the COCOM security list review. Subsequently it was agreed that JOC, rather than the EDIC subgroup, should prepare a list of those commodities the movement of which should be traced.

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Mr. Tilson reported the preparation and distribution of JOC Document No. 54 Supplement 1 of 9 December 1954 - Check List of I/L Items Originally Recommended for Retention by U.S. but which COCOM Action Resulted in Partial or Complete Deletion. He stated that members of JOC have been requested to review this list and to notify the Executive Secretary of JOC of any deleted items which they feel should be subject to some I/L control or surveillance. It is anticipated that a short list of such selected items will be issued by JOC early in January. At that time appropriate action will be taken by EDIC to determine the most feasible method of tracing such movements and to survey capabilities of member agencies for purposes of the project.

6. OTHER INTELLIGENCE MATTERS

a) Intelligence Support for China List Review

The Acting Chairman declared that the intelligence community should make known to action and policy agencies the extent to which intelligence can be made available to support the China list review. He pointed out that preconsultation between the intelligence and action elements could have avoided misunderstandings which arose in the earlier COCOM list review as to the presumed ability of intelligence to support negotiations based on established criteria. He further noted that CIA had been requested by the EDAC Executive Committee to give its suggestions on this and that EDIC members would be kept advised of the substance and progress of CIA's reply.

b) Downgrading of CG/COCOM/CHINCOM Documents

The Acting Chairman noted that TOPOL 812 on the subject of downgrading of these documents did not incorporate the consensus of the last EDIC meeting, namely, that the USDEL would be instructed "to take the position that Confidential information will be handled by COCOM in accordance with standards now in force for US Confidential material" (EDIC/M-3). He announced that CIA takes the position that CG/COCOM/CHINCOM documents incorporating any intelligence must retain a Secret classification.

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Distribution

Cat ~~B - (1-2)(M/P/M/HR)~~  
~~C - (2, 1, 1/26)~~  
~~D - (All)~~  
~~E - (1-3)~~

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